

**FORK TOWNSHIP  
MECOSTA COUNTY, MICHIGAN  
AUDIT REPORT  
MARCH 31, 2004**

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>FORK TOWNSHIP</b>	County <b>MECOSTA</b>
Audit Date <b>3-31-2004</b>	Opinion Date <b>7-30-2004</b>	Date Accountant Report Submitted to State: <b>8-26-2004</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <b>TERRY KIRKPATRICK, CPA, PC</b>			
Street Address <b>211 MAPLE STREET</b>	City <b>BIG RAPIDS</b>	State <b>MI</b>	ZIP <b>49307</b>
Accountant Signature <i>Terry D Kirkpatrick, CPA</i>		Date <b>8-23-04</b>	

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**TERRY KIRKPATRICK, CPA, P.C.**  
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**Independent Auditor's Report**

July 30, 2004

To the Honorable Supervisor and Members of the Township Board  
of the Township of Fork, Mecosta County, Michigan

We have audited the general purpose financial statements of the Township of Fork, Mecosta County, Michigan as of and for the year ended March 31, 2004 as listed on the contents page. These general purpose financial statements are the responsibility of management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The scope of our audit did not include verification of the fund balances at April 1, 2003.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the validity of beginning fund balances, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Fork as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed on the contents page are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Fork, Mecosta County, Michigan. This additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Terry Kirkpatrick, CPA, P.C.*

Fork Township – Mecosta County, Michigan  
Combined Balance Sheet  
All Fund Types and Account Groups  
March 31, 2004

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Types</u>		<u>Account Group</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust &amp; Agency</u>	<u>General Fixed Assets</u>	(Memorandum Only)		
ASSETS								
Cash in Bank	\$ 158,934	\$ 54,191	\$ 68,958	\$ 690	\$ 0	\$ 282,773		
Certificates of Deposit	0	0	0	16,507	0	16,507		
Taxes Receivable - Personal	171	53	133	0	0	357		
Due from Current Tax Fund	690	0	0	0	0	690		
Due from Mecosta County	6,991	7,276	2,250	0	0	16,517		
Land	0	0	0	0	26,000	26,000		
Buildings	0	0	0	0	528,533	528,533		
Furniture and Equipment	0	0	0	0	35,945	35,945		
Fire Equipment	0	0	0	0	327,711	327,711		
Rescue Unit	0	0	0	0	80,561	80,561		
Total assets	\$ 166,786	\$ 61,520	\$ 71,341	\$ 17,197	\$ 998,750	\$ 1,315,594		
LIABILITIES AND FUND EQUITY								
Payroll Taxes Payable	\$ 1,036	\$ 1,963	\$ 0	\$ 0	\$ 0	2,999		
Pension Payable	6,962	0	0	0	0	6,962		
Due to General Fund	0	0	0	690	0	690		
Investment in General Fixed Assets	0	0	0	0	998,750	998,750		
Fund Balance	158,788	59,557	71,341	0	0	289,686		
Fund Balance - Nonexpendable	0	0	0	16,507	0	16,507		
Total liabilities and fund equity	\$ 166,786	\$ 61,520	\$ 71,341	\$ 17,197	\$ 998,750	\$ 1,315,594		

The "Notes to Financial Statements" are an integral part of these statements.

Fork Township – Mecosta County, Michigan  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
All Governmental Fund Types  
For the Year Ended March 31, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	Totals (Memorandum Only)
<b>REVENUES</b>				
Taxes	\$ 45,127	\$ 36,448	\$ 14,575	\$ 96,150
Federal Grants	0	32,700	0	32,700
State Grants	95,125	1,249	0	96,374
Contributions from Other Units	0	23,505	0	23,505
Charges for Services	5,446	0	0	5,446
Interest and Rents	2,328	633	507	3,468
Other Revenue	4,573	29,336	171	34,080
Total revenues	<u>152,599</u>	<u>123,871</u>	<u>15,253</u>	<u>291,723</u>
<b>EXPENDITURES</b>				
Legislative	14,464	0	0	14,464
General Government	63,047	0	0	63,047
Public Safety	2,243	114,163	0	116,406
Public Works	72,300	5,991	0	78,291
Parks and Recreation	0	381	0	381
Other Functions	8,768	0	0	8,768
Total expenditures	<u>160,822</u>	<u>120,535</u>	<u>0</u>	<u>281,357</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,223)	3,336	15,253	10,366
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	4,911	0	9,900	14,811
Operating Transfers Out	0	(14,400)	0	(14,400)
Total other financing sources (uses)	<u>4,911</u>	<u>(14,400)</u>	<u>9,900</u>	<u>411</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,312)	(11,064)	25,153	10,777
FUND BALANCE - April 1, 2003	162,100	70,621	46,188	278,909
FUND BALANCE - March 31, 2004	<u>\$ 158,788</u>	<u>\$ 59,557</u>	<u>\$ 71,341</u>	<u>\$ 289,686</u>

The "Notes to Financial Statements" are an integral part of these statements.

**Fork Township – Mecosta County, Michigan**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual – All Annually Budgeted Governmental Fund Types**  
**For the Year Ended March 31, 2004**

	<u>General Fund</u>		<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Taxes	\$ 43,200	\$ 45,127	\$ 1,927	\$ 35,700	\$ 748
Federal Grants	0	0	0	32,700	1,700
State Grants	90,000	95,125	5,125	1,249	1,249
Contributions from Other Units	0	0	0	23,505	5,205
Charges for Services	3,500	5,446	1,946	0	0
Interest and Rents	2,700	2,328	(372)	633	(42)
Other Revenue	42,000	4,573	(37,427)	29,336	(8,544)
Total revenues	181,400	152,599	(28,801)	123,871	316
<b>EXPENDITURES</b>					
Legislative	25,000	14,464	10,536	0	0
General Government	72,300	63,047	9,253	0	0
Public Safety	3,500	2,243	1,257	109,975	(4,188)
Public Works	77,600	72,300	5,300	8,880	2,889
Parks and Recreation	0	0	0	1,200	819
Other Functions	6,000	8,768	(2,768)	0	0
Total expenditures	184,400	160,822	23,578	120,055	(480)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,000)	(8,223)	(5,223)	3,336	(164)



Fork Township – Mecosta County, Michigan  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance -- Continued  
Budget and Actual -- All Annually Budgeted Governmental Fund Types  
For the Year Ended March 31, 2004

	<u>General Fund</u>		<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u> <u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	3,000	4,911	1,911	0	0
Operating Transfers Out	0	0	0	(3,500)	(14,400)
Total other financing sources (uses)	3,000	4,911	1,911	(3,500)	(14,400)
					(10,900)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(3,312)	(3,312)	0	(11,064)
FUND BALANCE - April 1, 2003	162,100	162,100	0	70,621	70,621
FUND BALANCE - March 31, 2004	\$ 162,100	\$ 158,788	\$ (3,312)	\$ 70,621	\$ 59,557
					\$ (11,064)

The "Notes to Financial Statements" are an integral part of these statements.

Fork Township – Mecosta County, Michigan  
 Combined Balance Sheet  
 All Fiduciary Fund Types  
 March 31, 2004

	Cemetery Perpetual <u>Care</u>	Current <u>Tax</u>	Totals (Memorandum <u>Only</u> )
ASSETS			
Cash in Bank	\$ 0	\$ 690	\$ 690
Certificate of Deposit	16,507	0	16,507
Total assets	<u>\$ 16,507</u>	<u>\$ 690</u>	<u>\$ 17,197</u>
LIABILITIES AND FUND EQUITY			
Due to General Fund	\$ 0	\$ 690	\$ 690
Fund Balance - Nonexpendable	16,507	0	16,507
Total liabilities and fund equity	<u>\$ 16,507</u>	<u>\$ 690</u>	<u>\$ 17,197</u>

The "Notes to Financial Statements" are an integral part of these statements.

Fork Township – Mecosta County, Michigan  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Cemetery Perpetual Care Fund  
For the Year Ended March 31, 2004

	<u>Expendable</u>
REVENUES	
Interest and Rents	\$ 418
OTHER FINANCING SOURCES (USES)	
Transfer to General Fund	<u>411</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7
FUND BALANCE - April 1, 2003	<u>16,500</u>
FUND BALANCE - March 31, 2004	<u>\$ 16,507</u>

The "Notes to Financial Statements" are an integral part of these statements.

***NOTES TO FINANCIAL STATEMENTS***

Fork Township – Mecosta County, Michigan  
Notes to Financial Statements  
For the Year Ended March 31, 2004

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present Fork Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Basis of Presentation

The accounts of the Township are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded in those funds.

The financial activities of Fork Township are recorded in separate funds and account groups categorized as follows:

GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of: (1) general Local Unit governmental departments, boards and commissions; (2) court systems; (3) law enforcement; and (4) health, welfare and medical assistance. The fund includes the general operating expenditures of the local unit.

Special Revenue Funds

These funds are used to account for specific revenue (other than expendable trusts or major capital projects) derived from State and Federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

Debt Service Funds

These funds are used to record revenues which are restricted for the payment of principal and interest on debt recorded in the General Long-Term Debt Account Group.

Capital Projects Funds

These funds are used to account for the acquisition or construction of major facilities other than those financed by proprietary fund operations.

FIDUCIARY FUNDS

Trust and Agency Funds

These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/ or other funds. These include: (a) Expendable Trust Funds; (b) Nonexpendable Trust; (c) Pensions Trust Fund; and (d) Agency Funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ACCOUNT GROUPS

General Fixed Assets Account Group

This Account Group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

Fixed assets used in the general operation of the Township are recorded as expenditures when purchased and are accounted for in the General Fixed Assets Account Group. No depreciation is recorded for these general fixed assets. Infrastructure assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters are not capitalized. The land and buildings donated to the Township in prior years, has been recorded in the General Fixed Assets Account Group at fair market value.

Basis of Accounting

The accrual basis of accounting is used by the Proprietary Funds, Pension Trust Funds, and Nonexpendable Trust Funds. The modified-accrual basis of accounting is used by all Governmental Funds, Agency Funds and Expendable Trust Funds. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is incurred. Modifications from the accrual basis are as follows:

- a. Property tax revenue should be recognized in accordance with MCGAA Statement 3:

Properties are assessed and lienied as of December 31 and their related property taxes are billed on December 1, of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.

- b. Interest income on special assessments receivable is not accrued until its due date.
- c. Interest expense on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- d. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.
- e. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Budgetary Data

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the board meeting in March, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them, for the General, Special Revenue and Debt Service Funds.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted on a departmental (activity) basis through passage of a resolution.
4. Budget appropriations lapse at year-end except for approved contracts and certain federal grants which are appropriated on a contract (grant) or entitlement-length basis.

Fork Township – Mecosta County, Michigan  
Notes to Financial Statements - Continued  
For the Year Ended March 31, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Current Taxes

Although the Fork Township 2003 ad valorem tax is levied and collectible on December 1, 2003, it is Fork Township's policy to recognize revenue from the current tax levy.

The 2003 State taxable valuation of Fork Township totaled \$29,700,000, on which ad valorem taxes levied consisted of 1.1845 mills for Fork Township operating purposes, 1.2275 mills for fire protection, and .4910 mills for fire equipment. These amounts are recognized in the respective General Fund, Special Revenue Fund, and Capital Project Fund.

Total Column on Combined Statements – Overview

The total column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation because interfund eliminations have not been made in the aggregation of this data.

NOTE B – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets and Liabilities

1. Changes in General Fixed Assets

	Balance 3/31/2003	Additions	Deletions	Balance 3/31/2004
Land	\$ 26,000	\$ 0	\$ 0	\$ 26,000
Buildings	528,533	0	0	528,533
Furniture & Equipment	35,945	0	0	35,945
Fire Equipment	327,711	0	0	327,711
Rescue Unit	64,761	15,800	0	80,561
	<u>\$ 982,950</u>	<u>\$ 15,800</u>	<u>\$ 0</u>	<u>\$ 998,750</u>

NOTE C – BALANCE SHEET – CASH AND INVESTMENTS

Deposits are carried at cost. Deposits are in one financial institution in the name of Fork Township. Michigan Compiled Laws, Section 129.91, authorizes Fork Township to deposit and invest in the accounts of Federally-insured banks, credit unions, and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution; repurchase agreements consisting of bonds, securities and other obligations of the United States or an agency or instrumentality of the United States; banker's acceptance of United States banks; commercial paper rated with the two highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase; or Michigan obligations or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money.

Fork Township – Mecosta County, Michigan  
Notes to Financial Statements - Continued  
For the Year Ended March 31, 2004

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NOTE C – BALANCE SHEET – CASH AND INVESTMENTS

Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan, unless they have a branch office in Michigan. The Fork Township deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

	<u>Bank Balance</u>	<u>Primary Government</u>
<u>Deposits</u>		
Insured (FDIC)	\$	116,507
Uninsured		190,076
Total deposits	\$	<u>306,583</u>

At year end, the balance sheet carrying amount of deposits was \$299,280.

NOTE D – PENSION PLAN

The Township maintains a defined contribution pension plan with the Manufactures Life Insurance Company which covers all elected officials.

The total cost of pension premiums to the Township for the year ended March 31, 2004, was \$7,748. Employees are vested pursuant to the terms set forth in the Adoption Agreement.

NOTE E – RISK FINANCING

Fork Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; liability; and natural disasters. These risks are covered by insurance purchased from independent third parties by Fork Township. Fork Township is unaware of any settled claims for these risks that may have exceeded insurance coverage for the past three years.



***COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS***

Fork Township – Mecosta County, Michigan  
General Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$	158,934
Due from Mecosta County		6,991
Delinquent Personal Tax		171
Due from Current Tax Fund		690
Total assets	\$	<u>166,786</u>

LIABILITIES AND FUND EQUITY

Payroll Taxes Payable	\$	1,036
Pension Payable		6,962
Fund Balance		158,788
Total liabilities and fund equity	\$	<u>166,786</u>

# Fork Township – Mecosta County, Michigan

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance –

#### Budget and Actual

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Current property tax	\$ 35,700	\$ 35,171	\$ (529)
Tax administration fee	7,500	9,956	2,456
Total taxes	43,200	45,127	1,927
State Grants			
State shared revenues	90,000	95,125	5,125
Charges for Services			
Grave openings	3,500	5,166	1,666
Land division fees	0	280	280
Total charges for services	3,500	5,446	1,946
Interest and Rents			
Interest earned on investments	2,500	1,618	(882)
Hall rental	200	710	510
Total interest and rents	2,700	2,328	(372)
Other Revenue			
Other	42,000	3,340	(38,660)
Refunds	0	1,233	1,233
Total other revenue	42,000	4,573	(37,427)
Total revenues	181,400	152,599	(28,801)
EXPENDITURES			
Legislative			
Township board	25,000	14,464	10,536
General Government			
Supervisor	6,000	6,063	(63)
Elections	0	647	(647)
Assessor	18,300	14,734	3,566
Clerk	9,000	9,978	(978)
Board of review	2,500	2,326	174
Treasurer	16,500	14,948	1,552
Township hall	8,000	4,856	3,144
Cemetery	12,000	9,495	2,505
Total general government	72,300	63,047	9,253

Fork Township – Mecosta County, Michigan  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual - Continued  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES - Continued			
Public Safety			
Police	3,500	2,243	1,257
Public Works			
Highways, streets and bridges	70,000	65,270	4,730
Street lighting	1,100	937	163
Recycling	6,500	6,093	407
Total public works	<u>77,600</u>	<u>72,300</u>	<u>5,300</u>
Other Functions			
Insurance, bonds and fringes	1,000	8,768	(7,768)
Contingencies	5,000	0	5,000
Total other functions	<u>6,000</u>	<u>8,768</u>	<u>(2,768)</u>
Total expenditures	<u>184,400</u>	<u>160,822</u>	<u>23,578</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,000)	(8,223)	(5,223)
OTHER FINANCING SOURCES (USES)			
Transfer from Fire Fund	0	1,000	1,000
Transfer from Rescue Fund	3,000	3,500	500
Transfer from Cemetery Perpetual Care Fund	0	411	411
Total other financing sources (uses)	<u>3,000</u>	<u>4,911</u>	<u>1,911</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(3,312)	(3,312)
FUND BALANCE - April 1, 2003	162,100	162,100	0
FUND BALANCE - March 31, 2004	<u>\$ 162,100</u>	<u>\$ 158,788</u>	<u>\$ (3,312)</u>

Fork Township – Mecosta County, Michigan  
Special Revenue Funds  
Combining Balance Sheet  
March 31, 2004

	Fire Department	Rescue	Merrill Lake Roads	West Chippewa Vista	Merrill Lake Park	Totals (Memorandum Only)
ASSETS						
Cash in Bank	\$ 39,422	\$ 7,562	\$ 863	\$ 5,713	\$ 631	\$ 54,191
Taxes Receivable - Delinquent - Personal	53	0	0	0	0	53
Due from Mecosta County	5,906	0	371	840	159	7,276
Total assets	<u>\$ 45,381</u>	<u>\$ 7,562</u>	<u>\$ 1,234</u>	<u>\$ 6,553</u>	<u>\$ 790</u>	<u>\$ 61,520</u>
LIABILITIES AND FUND EQUITY						
Payroll Taxes Payable	\$ 1,314	\$ 649	\$ 0	\$ 0	\$ 0	\$ 1,963
Fund Balance	44,067	6,913	1,234	6,553	790	59,557
Total liabilities and fund equity	<u>\$ 45,381</u>	<u>\$ 7,562</u>	<u>\$ 1,234</u>	<u>\$ 6,553</u>	<u>\$ 790</u>	<u>\$ 61,520</u>

# Fork Township – Mecosta County, Michigan

Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended March 31, 2004

	Fire	Rescue Unit	Merrill Lake Roads	West Chippewa Vista	Merrill Lake Park	Totals (Memorandum Only)
<b>REVENUES</b>						
Taxes	\$ 36,448	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,448
Contributions from Other Units	9,900	13,605	0	0	0	23,505
Federal Grants	32,700	0	0	0	0	32,700
State Grants	1,249	0	0	0	0	1,249
Interest and Rents	489	104	6	30	4	633
Other Revenue	20,876	500	1,428	5,920	612	29,336
Total revenues	101,662	14,209	1,434	5,950	616	123,871
<b>EXPENDITURES</b>						
Public Works	0	0	1,443	4,548	0	5,991
Parks and Recreation	0	0	0	0	381	381
Public Safety	100,138	14,025	0	0	0	114,163
Total expenditures	100,138	14,025	1,443	4,548	381	120,535
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,524	184	(9)	1,402	235	3,336
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	0	0	0	0	0	0
Transfers Out	(10,900)	(3,500)	0	0	0	(14,400)
Total other financing sources (uses)	(10,900)	(3,500)	0	0	0	(14,400)
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(9,376)	(3,316)	(9)	1,402	235	(11,064)
<b>FUND BALANCE - April 1, 2003</b>	53,443	10,229	1,243	5,151	555	70,621
<b>FUND BALANCE - March 31, 2004</b>	\$ 44,067	\$ 6,913	\$ 1,234	\$ 6,553	\$ 790	\$ 59,557

Fork Township – Mecosta County, Michigan  
Fire Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$	39,422
Taxes Receivable - Delinquent - Personal		53
Due from Mecosta County		<u>5,906</u>
Total assets	\$	<u><u>45,381</u></u>

LIABILITIES AND FUND EQUITY

Payroll Taxes Payable	\$	1,314
Fund Balance		<u>44,067</u>
Total liabilities and fund equity	\$	<u><u>45,381</u></u>

# Fork Township – Mecosta County, Michigan

## Fire Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes			
Current property tax	\$ 35,700	\$ 36,448	\$ 748
Contributions from Sheridan Township	0	9,900	9,900
Federal Grants - FEMA	31,000	32,700	1,700
State Grants			
DNR Grant	0	1,249	1,249
Interest and Rents			
Interest earned on investments	500	489	(11)
Other Revenue			
Other	27,800	20,876	(6,924)
Total revenues	<u>95,000</u>	<u>101,662</u>	<u>6,662</u>
<b>EXPENDITURES</b>			
Public Safety			
Fire Department			
Wages	21,900	16,510	5,390
Social security and medicare tax	2,000	1,263	737
Supplies	2,200	6,464	(4,264)
Schooling	1,000	580	420
Physicals	1,900	700	1,200
Loose equipment	43,000	40,009	2,991
Insurance	6,000	5,642	358
Vehicle maintenance	5,000	1,520	3,480
Equipment maintenance	12,000	5,322	6,678
Utilities	0	4,982	(4,982)
Miscellaneous	0	1,346	(1,346)
Capital outlay	0	15,800	(15,800)
Total public safety	<u>95,000</u>	<u>100,138</u>	<u>(5,138)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	1,524	1,524
OTHER FINANCING SOURCES (USES)			
Transfers Out	0	(10,900)	(10,900)
EXCESS OF REVENUES AND OTHER FINANCES SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(9,376)	(9,376)
FUND BALANCE - April 1, 2003	53,443	53,443	0
FUND BALANCE - March 31, 2004	<u>\$ 53,443</u>	<u>\$ 44,067</u>	<u>\$ (9,376)</u>



Fork Township – Mecosta County, Michigan  
Rescue Unit Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$ 7,562
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LIABILITIES AND FUND EQUITY

Payroll Taxes Payable	\$ 649
Fund Balance	6,913
Total liabilities and fund equity	<u>\$ 7,562</u>

# Fork Township – Mecosta County, Michigan

## Rescue Unit Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Contributions from Other Units Mecosta County	\$ 18,300	\$ 13,605	\$ (4,695)
Interest and Rents Interest earned on investments	175	104	(71)
Other Revenue Other	0	500	500
Total revenues	<u>18,475</u>	<u>14,209</u>	<u>(4,266)</u>
<b>EXPENDITURES</b>			
Public Safety Rescue Unit			
Wages	7,725	7,625	100
Social security and medicare tax	700	583	117
Office supplies	250	70	180
Utilities and fuel	800	1,112	(312)
Loose equipment	2,500	2,556	(56)
Equipment maintenance	1,000	727	273
Insurance	1,200	1,159	41
Miscellaneous	200	175	25
Travel	600	18	582
Total public safety	<u>14,975</u>	<u>14,025</u>	<u>950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,500	184	(3,316)
<b>OTHER FINANCING SOURCES (USES)</b>			
TRANSFER TO GENERAL FUND	<u>(3,500)</u>	<u>(3,500)</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(3,316)	(3,316)
FUND BALANCE - April 1, 2003	10,229	10,229	0
FUND BALANCE - March 31, 2004	<u>\$ 10,229</u>	<u>\$ 6,913</u>	<u>\$ (3,316)</u>

Fork Township – Mecosta County, Michigan  
Merrill Lake Roads S/A Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$	863
Due from Mecosta County		371
Total assets	\$	<u>1,234</u>

LIABILITIES AND FUND EQUITY

Fund Balance	\$	<u>1,234</u>
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Fork Township – Mecosta County, Michigan

Merrill Lake Roads S/A Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest and Rents			
Interest earned	\$ 0	\$ 6	\$ 6
Other Revenues			
Special assessments	2,960	1,428	(1,532)
Total revenues	<u>2,960</u>	<u>1,434</u>	<u>(1,526)</u>
EXPENDITURES			
Public Works			
Highways and streets	<u>2,960</u>	<u>1,443</u>	<u>1,517</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	(9)	(9)
FUND BALANCE - April 1, 2003	1,243	1,243	0
FUND BALANCE - March 31, 2004	<u>\$ 1,243</u>	<u>\$ 1,234</u>	<u>\$ (9)</u>

Fork Township – Mecosta County, Michigan  
West Chippewa Vista S/A Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$ 5,713
Due from Mecosta County	<u>840</u>
Total assets	<u>\$ 6,553</u>

LIABILITIES AND FUND EQUITY

Fund Balance	<u>\$ 6,553</u>
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# Fork Township – Mecosta County, Michigan

West Chippewa Vista S/A Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest and Rents			
Interest earned	\$ 0	\$ 30	\$ 30
Other Revenues			
Special assessments	5,920	5,920	0
Total revenues	5,920	5,950	30
EXPENDITURES			
Public Works			
Highways and streets	5,920	4,548	1,372
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	1,402	1,402
FUND BALANCE - April 1, 2003	5,151	5,151	0
FUND BALANCE - March 31, 2004	\$ 5,151	\$ 6,553	\$ 1,402

Fork Township – Mecosta County, Michigan  
Merrill Lake Park S/A Fund  
Balance Sheet  
March 31, 2004

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ASSETS

Cash in Bank	\$	631
Due from Mecosta County		<u>159</u>
Total assets	\$	<u><u>790</u></u>

LIABILITIES AND FUND EQUITY

Fund Balance	\$	<u><u>790</u></u>
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Fork Township – Mecosta County, Michigan

Merrill Lake Park S/A Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest and Rents			
Interest earned	\$ 0	\$ 4	\$ 4
Other Revenue			
Special assessments	1,200	612	(588)
Total revenues	<u>1,200</u>	<u>616</u>	<u>(584)</u>
EXPENDITURES			
Parks and Recreation	<u>1,200</u>	<u>381</u>	<u>819</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	235	235
FUND BALANCE - April 1, 2003	555	555	0
FUND BALANCE - March 31, 2004	<u>\$ 555</u>	<u>\$ 790</u>	<u>\$ 235</u>



Fork Township – Mecosta County, Michigan

Fire Equipment Fund

Balance Sheet

March 31, 2004

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ASSETS

Cash in Bank	\$	68,958
Taxes Receivable - Delinquent - Personal		133
Due from Mecosta County		<u>2,250</u>
Total assets	\$	<u><u>71,341</u></u>

LIABILITIES AND FUND EQUITY

Fund Balance	\$	<u><u>71,341</u></u>
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Fork Township – Mecosta County, Michigan

Fire Equipment Fund

Statement of Revenues, Expenditures and Changes in Fund Balance –  
For the Year Ended March 31, 2004

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REVENUES

Taxes		
Current property taxes	\$	14,575
Interest and Rents		
Interest earned on investments		507
Other Revenue		
Other		<u>171</u>
Total revenues		<u>15,253</u>

OTHER FINANCING SOURCES (USES)

Transfer from Fire Fund		<u>9,900</u>
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EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		25,153
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FUND BALANCE - April, 1 2003		<u>46,188</u>
FUND BALANCE - March 31, 2004	\$	<u><u>71,341</u></u>

***SUPPLEMENTARY INFORMATION***

Fork Township – Mecosta County, Michigan  
General Fund  
Detail Schedule of Actual Expenditures  
For the Year Ended March 31, 2004

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LEGISLATIVE

Township Board	
Salaries	\$ 4,012
Office supplies	2,150
Contracted services	1,278
Mileage	286
Insurance and bonds	4,308
Printing and publishing	57
Miscellaneous	489
Education and training	1,300
Memberships and dues	584
Total legislative	<u>\$ 14,464</u>

GENERAL GOVERNMENT

Supervisor	
Salaries	\$ 5,899
Travel	86
Miscellaneous	78
Total supervisor	<u>6,063</u>
Elections	
Salaries	625
Travel	22
Total elections	<u>647</u>
Assessor	
Office supplies	403
Contracted services	13,796
Telephone	67
Travel	468
Total assessor	<u>14,734</u>
Clerk	
Salaries	7,582
Office supplies	1,293
Contracted services	766
Miscellaneous	337
Total clerk	<u>9,978</u>
Board of Review	
Salaries	1,733
Office supplies	332
Education and training	220
Miscellaneous	41
Total board of review	<u>2,326</u>

# Fork Township – Mecosta County, Michigan

## General Fund

### Detail Schedule of Actual Expenditures – Continued For the Year Ended March 31, 2004

#### GENERAL GOVERNMENT - Continued

Treasurer	
Salaries	11,697
Office supplies	1,160
Contracted services	2,024
Mileage	67
Total treasurer	<u>14,948</u>
Township Hall	
Salaries	95
Office supplies	50
Contracted services	641
Telephone	2,162
Utilities	1,908
Total township hall	<u>4,856</u>
Cemetery	
Salaries	5,192
Office supplies	1,605
Contracted services	2,293
Utilities	405
Total cemetery	<u>9,495</u>
Total general government	<u>\$ 63,047</u>

#### PUBLIC SAFETY

Police	
Contracted services	\$ 1,793
Travel	450
Total public safety	<u>\$ 2,243</u>

#### PUBLIC WORKS

Highways, Streets, and Bridges	
Contracted services	\$ 65,270
Street Lighting	
Contracted services	67
Utilities	870
Total street lighting	<u>937</u>
Recycling	
Wages	593
Contracted services	5,500
Total recycling	<u>6,093</u>
Total public works	<u>\$ 72,300</u>

Fork Township – Mecosta County, Michigan

General Fund

Detail Schedule of Actual Expenditures - Continued

For the Year Ended March 31, 2004

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OTHER FUNCTIONS

Insurance, Bonds and Fringes

Social security - local unit's share

\$ 1,020

Retirement - local unit's share

7,748

Total insurance, bonds and fringes

\$ 8,768

**Fork Township – Mecosta County, Michigan**  
**Current Tax Fund**  
**Statement of 2003 Tax Levy – Receipts and Disbursements**  
**March 31, 2004**

	Rate in Mills	State Taxable Valuation	2003 Tax Levy	Taxes Returned Delinquent	Total Taxes Collected
Mecosta County	7.3353	\$ 29,700,000	\$ 217,824	\$ 35,614	\$ 182,210
Fork Township					
Operating	1.1845	\$ 29,700,000	35,171	7,162	28,009
Fire Department Operation	1.2275	\$ 29,700,000	36,448	5,959	30,489
Fire Equipment	0.4910	\$ 29,700,000	14,575	2,383	12,192
Barryton District Library	1.0000	\$ 29,700,000	29,693	4,855	24,838
Chippewa Hills Public Schools					
Debt	4.5500	\$ 29,700,000	135,123	22,093	113,030
Operating	18.0000	9,800,000	177,897	35,268	142,629
Mecosta-Osceola ISD	4.1080	\$ 29,700,000	121,982	19,944	102,038
Chippewa River Vista S/A			5,920	840	5,080
Merrill Lake Improvement S/A			612	159	453
Merrill Lake Roads S/A			1,428	371	1,057
State Education Tax	5.0000	\$ 29,700,000	148,559	15,755	132,804
<b>RECEIPTS</b>			<b>\$ 925,232</b>	<b>\$ 150,403</b>	<b>\$ 774,829</b>

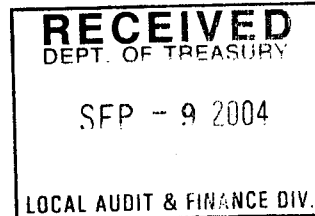
Total Taxes Collected \$ 774,829  
Collection Fees 10,220  
Interest Earned 334  
Dog Licenses 244  
Total receipts \$ 785,627

**DISBURSEMENTS**

Mecosta County (including State Education Tax) \$ 315,454  
Chippewa Hills Public Schools 255,659  
Mecosta-Osceola ISD 102,038  
Barryton District Library 24,839  
Fork Township 87,274  
Total disbursements \$ 785,264

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CERTIFIED PUBLIC ACCOUNTANT

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July 30, 2004

Members of the Township Board  
Fork Township  
Mecosta County, MI

We recently completed our audit of the general purpose financial statements of Fork Township for the year ended March 31, 2004. During our audit, we had an opportunity to test internal controls and to observe the accounting and financial procedures and many of the general management practices of the Township. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

**COPY OF BANK STATEMENTS TO CLERK**

The Township Treasurer should continue to receive the bank statements directly from the bank, but she should also make a copy of each one along with a copy of the cancelled checks for the Township Clerk to use to reconcile her books. This also provides an additional piece of internal control that should be in place.

**FORM F-65**

The Township Clerk should have received a Form F-65 from the State of Michigan, which is due back to them by September 30, 2004. This should be delivered to our office so that we may complete it for you.

**OTHER MATTERS**

We have enjoyed working with your staff. Their competence and assistance were instrumental in our timely completion of the audit.

Two copies of the audit report and this letter should be mailed to the State of Michigan no later than September 30, 2004. A pre-addressed envelope is provided for your convenience.

If you have any questions regarding this letter or the audit, please do not hesitate to contact us.

*Terry Kirkpatrick, CPA, P.C.*